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INTELLIGENCE MEMORANDUM

Situation in the Dominican Republic (Report #291 - As of 7:00 am EDT)

Political developments of the past 24 hours have been dominated by the sudden return of former President Joaquin Balaguer, a man likely to be a leading contender in the post-crisis presidential elections.

Balaguer, who returned to visit his dying mother, had reportedly hoped not to make political capital of this visit. His followers are having difficulty in restraining their joy at his return, however, and are likely to try to make the most of it. Within hours of his arrival at his mother's house, which is in the International Safety Zone two blocks from the US Embassy, they were flocking to see him.

Balaguer has already expressed his views to newsmen on several issues of immediate political interest. He said he would not take part in any new provisional government because he wants to be a presidential candidate in free elections. He expressed his full support for the OAS formula for a settlement of the political crisis, declared that the Inter-American Peace Force must remain in the Dominican Republic until after national elections, and stated that it is "absolutely necessary" for Antonio Imbert to step down as head of the interim government.

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Balaguer, who has been in exile in the United States since his overthrow by the military in January 1962/

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the most widely known political figure in the country and his supporters are confident that he could easily win the presidency in a free election. His Reformist Party does, in fact, seem to have significant support among all Dominican socio-economic groups.

Meanwhile, the Imbert government is finding itself under increasing fire as additional evidence accumulates that atrocities were committed by forces under its command earlier in the insurrection. There is also growing concern among some members of the government that loyalist forces may have resorted to excessive repression against the civil population in San Francisco de Macoris after the rebel attacks there last weekend. Junta member Grisolia is said to be particularly upset about this.

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US military authorities are examining the one and a half pound plastic explosive charge found among the weapons captured by loyalist forces at San Francisco de Macoris last weekend. The explosive is of non-US manufacture and may be of French origin, according to preliminary analysis. Captured attackers said it had been brought into San Francisco de Macoris from Santo Domingo by automobile.

There have been no additional serious disturbances in the interior, although there is an unconfirmed report that six more rebels were killed yesterday in a town near San Francisco de Macoris.

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